GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:979
ANSWERED ON:21.07.2017
Defence Purchases
Maragatham Smt. K.

Will the Minister of DEFENCE be pleased to state:

(a) whether a major defence purchase often takes years to complete, but the budget allocation lapses at the end of the financial year and if so, the details thereof;

(b) whether as a result, his Ministry is often forced to return money meant for capital acquisition;

(c) if so, the details thereof and the money returned during the last three years and the current year;

(d) whether his Ministry has sought non-lapsable fund for arms purchase; and

(e) if so, the details thereof and the response of the Union Government thereto?

Answer

MINISTER OF STATE (DR. SUBHASH BHAMRE)
IN THE MINISTRY OF DEFENCE
????? ????? ?????? (??. ????? ?????)

(a) to (c): Capital Acquisition of defence equipment is undertaken as a continuous activity in accordance with the Defence Procurement Procedure (DPP) to keep the Armed Forces in a state of preparedness to meet the entire spectrum of security challenges. DPP-2016, which was promulgated with effect from 1st April 2016, contains provisions for reducing the timelines for completion of procurement activities. All efforts are made to optimally use budgeted funds for meeting committed liabilities

relating to already concluded capital acquisition contracts and for new schemes contracted during the year. The capital Budget and Expenditure for Armed Forces for the last three years are given below:
(Rs. in crore)
Year Revised Estimate Expenditure

2014-15 66151.73 65862.38
2015-16 65400.00 62235.54
2016-17 62619.36 68252.87

(d) & (e): The proposal for a non-lapsable Defence Modernisation Fund has not been agreed to by Ministry of Finance.
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